

AMENDED IN SENATE MAY 1, 2014
AMENDED IN SENATE APRIL 10, 2014
AMENDED IN SENATE MARCH 13, 2014

SENATE BILL

No. 965

Introduced by Senator Leno

February 10, 2014

An act to add Section 84750.6 to the Education Code, relating to community colleges, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 965, as amended, Leno. Community colleges: funding: San Francisco Community College District.

~~Existing~~

(1) *Existing* law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges. Existing law authorizes the establishment of community college districts under the administration of community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state.

Existing law requires the board of governors to develop criteria and standards, in accordance with specified statewide minimum requirements, for the purposes of making the annual budget request for the California Community Colleges to the Governor and the Legislature and allocating state general apportionment revenues. Those statewide minimum requirements include, among other things, a requirement that the calculations of each community college district's revenue level for each fiscal year be based on specified criteria, with revenue adjustments

being made for increases or decreases in full-time equivalent students and for other specified purposes.

This bill, for the 2014–15 fiscal year ~~to and the 2017–18~~ 2015–16 fiscal year, ~~inclusive~~, would require the board of governors to provide the San Francisco Community College District with revenues, as specified, if, on the effective date of this bill, the *board of governors finds that the community college district or a campus of the community college district* ~~was is~~ in imminent jeopardy of losing its ~~accreditation and accreditation~~, the board of governors has exercised its authority pursuant to specified provisions, *and the institution is in compliance with a regulation requiring it to be accredited by a specified agency. The bill would require the board of governors to additionally provide the San Francisco Community College District with revenues for the 2016–17 fiscal year under the same conditions applicable to the 2014–15 and 2015–16 fiscal years, but only if the Fiscal Crisis Management Assistance Team makes a finding no sooner than April 1, 2016, that the San Francisco Community College District is meeting or exceeding specified fiscal benchmarks.*

The bill would require the Chancellor of the City College of San Francisco to submit a report containing specified information to the appropriate policy and fiscal committees of the Legislature, the Office of the Governor, the Legislative Analyst's Office, and the Department of Finance on or before April 15, 2015, and to submit updates to this report as specified. Because this provision would impose new duties on the San Francisco Community College District, it would constitute a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for the San Francisco Community College District.

(2) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

~~This~~

(3) *This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 84750.6 is added to the Education Code,
2 to read:
3 84750.6. (a) Notwithstanding Section 84750.5, the board of
4 governors shall provide the San Francisco Community College
5 District with revenues, as specified in subdivision (b), if, on the
6 effective date of *the act that adds* this section, both of the following
7 conditions are satisfied:
8 (1) *The board of governors finds that the* community college
9 district or a campus of the community college district ~~was is~~ in
10 imminent jeopardy of losing its accreditation.
11 (2) The board of governors has exercised its authority pursuant
12 to Section 84040 of this code and Section 58312 of Title 5 of the
13 California Code of Regulations *as that regulation read on April*
14 *15, 2014.*
15 (b) If the number of full-time equivalent students (FTES) of the
16 community college district decreases from the number in the
17 2013–14 fiscal year, the board of governors shall provide revenues
18 to the community college district, as follows:
19 (1) For the 2014–15 fiscal year, an amount not less than the
20 total amount that was received by the community college district
21 for the attendance of FTES in the 2013–14 fiscal year.
22 (2) For the 2015–16 fiscal year, an amount not less than 95
23 percent of the total amount that was received by the community
24 college district for the attendance of FTES in the 2013–14 fiscal
25 year.
26 (3) (A) For the 2016–17 fiscal year, an amount not less than 90
27 percent of the total amount that was received by the community
28 college district for the attendance of FTES in the 2013–14 fiscal
29 year.
30 ~~(4) For the 2017–18 fiscal year, an amount not less than 85~~
31 ~~percent of the total amount that was received by the community~~
32 ~~college district for the attendance of FTES in the 2013–14 fiscal~~
33 ~~year.~~
34 (B) *Funds shall be provided under this paragraph only if the*
35 *Fiscal Crisis Management Assistance Team makes a finding no*

1 *sooner than April 1, 2016, that the San Francisco Community*
2 *College District is meeting or exceeding all of the following*
3 *benchmarks:*

4 *(i) Effective fiscal controls and systems are in place.*

5 *(ii) The City College of San Francisco has, and is adhering to,*
6 *prudent fiscal policies and practices, as corroborated by an*
7 *analysis of multiyear projections of no less than three fiscal years*
8 *commencing with the 2016–17 fiscal year.*

9 *(iii) The City College of San Francisco is applying resources*
10 *in accordance with a budget plan approved by the special trustee.*

11 *(iv) The City College of San Francisco is maintaining*
12 *appropriate fiscal reserves.*

13 *(v) The City College of San Francisco has, and is adhering to,*
14 *a viable plan to address long-term liabilities including, but not*
15 *necessarily limited to, “other postemployment benefits,” as that*
16 *term is used in accordance with generally accepted accounting*
17 *principles defined by the Governmental Accounting Standards*
18 *Board as of April 15, 2014.*

19 *(c) The amounts calculated in paragraphs (1) to (4) (3), inclusive,*
20 *of subdivision (b) shall be adjusted by the chancellor to reflect*
21 *cost-of-living adjustments, deficits in apportionments, or both, as*
22 *appropriate for the applicable fiscal years.*

23 *(d) Subdivision (b) shall only be used to determine the*
24 *apportionment funding to be allocated to the San Francisco*
25 *Community College District. In computing statewide entitlements*
26 *to funding based upon the attendance of FTES, the San Francisco*
27 *Community College District shall not be credited with more FTES*
28 *than were actually enrolled and in attendance.*

29 *(e) Subdivision (b) shall only be operative for a fiscal year in*
30 *which the San Francisco Community College District is in*
31 *compliance with Section 51016 of Title 5 of the California Code*
32 *of Regulations as that regulation read on April 15, 2014.*

33 *(e)*

34 *(f) It is the intent of the Legislature that any amounts necessary*
35 *to make the apportionments required pursuant to subdivision (b)*
36 *be drawn from the state general apportionment revenues for*
37 *community college districts.*

38 *SEC. 2. (a) The Chancellor of the City College of San*
39 *Francisco shall submit all of the following to the appropriate*
40 *policy and fiscal committees of the Legislature, the Office of the*

Governor, the Legislative Analyst's Office, and the Department of Finance on or before April 15, 2015:

(1) An overview of the college's current accreditation status, including a description of any identified accreditation deficiencies and activities underway to address those deficiencies.

(2) Enrollment totals for the current and prior years.

(3) Updated enrollment projections for the two subsequent fiscal years.

(4) The number of course sections offered in the current and prior fiscal years.

(5) A thorough explanation of the district's level of budgetary reserves and sources of revenue.

(6) A thorough multiyear budget plan that explains, at a minimum, both revenue sources and areas of expenditure.

(b) The Chancellor of the City College of San Francisco shall submit updates to the report submitted under subdivision (a) on or before the following dates:

(1) October 15, 2015.

(2) April 15, 2016.

(3) October 15, 2016, but only if funding is provided pursuant to paragraph (3) of subdivision (b) of Section 84750.6 of the Education Code.

(4) April 15, 2017, but only if funding is provided pursuant to paragraph (3) of subdivision (b) of Section 84750.6 of the Education Code.

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

~~SEC. 2.~~

SEC. 4. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique accreditation and fiscal challenges facing the San Francisco Community College District.

~~SEC. 3.~~

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

- 1 the meaning of Article IV of the Constitution and shall go into
- 2 immediate effect. The facts constituting the necessity are:
- 3 The accreditation and fiscal problems facing the San Francisco
- 4 Community College District threaten its ability to preserve the
- 5 health and safety of its students and require an immediate response.

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